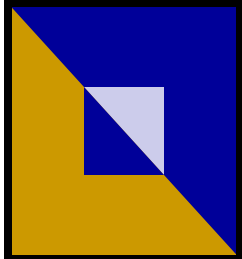


THE SPAYD



News from the Bankruptcy Front

USBC for the
District of Columbia

Volume 1, Issue 2
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Consolidation: The Future of Bankruptcy in DC...and Beyond

On April 4, 2006, Chief Judge Thomas F. Hogan of the U.S. District Court and Judge S. Martin Teel, Jr. of the Bankruptcy Court approved a proposal to consolidate both courts within the next twelve months. Several factors were and continue to be the primary impetus for consolidation. One such factor is the growing need for courts to become more efficient and thus reduce costs.

The efficiency and cost cutting motivators probably began ten years ago with a study conducted by the National Academy of Public Administration to examine the administrative functions of bankruptcy and district courts alike. The study concluded that courts should look into sharing services in such areas as procurement and automation to reduce costs. The Judicial Conference agreed and encouraged bankruptcy and district courts to further explore the sharing of resources in other areas such as human resources and operations. The Bankruptcy and District Courts of Washington, DC have been uniquely positioned to fulfill these orders.

The small size of the Bankruptcy Court's Clerk's Office, and the co-location of both courts pro-

vided a logical foundation for consolidation, and contributed to the encouraged sharing of resources, space and personnel over the years. This "history of sharing" was further bolstered by the arrival of former BK Clerk, Denise Curtis - - who prior to becoming Clerk worked in District Court - - as well as her departure last summer.

Consolidation will provide "one-stop shopping" for the public since both Clerks' Offices will merge into one intake and finance area.

Since the agreement to consolidate, both courts have taken sharing to the next level. The past year has seen the Offices of Information Technology, Administrative Services, and Human Resources for both courts fully consolidated. Furthermore, in an effort to consolidate Operations, approximately twenty-five Docket Clerks/Operations Administrators, Courtroom Deputies, Intake personnel, and Supervisors have completed or continue to participate in a rigorous program of cross-training. So, what does

the reduction in court costs, the sharing of resources, and cross-training mean to our customers?

As is the case with CM/ECF, the anticipated benefits of consolidation to the public can be measured in convenience and efficiency. No longer will BK customers have to travel to the fourth floor to file paper pleadings because "consolidation will provide 'one-stop shopping' for the public since both Clerks' Offices will merge into one intake and finance area." (*Joint Proposal for Consolidation*, 4/4/06). Also, once cross-training of operations is complete, the public can expect better coverage on the phones, in the courtrooms, less down time in the Clerks' Offices, and faster processing of electronic and paper filed documents.

To be sure, consolidation has progressed slower than anticipated. Three CM/ECF upgrades in a year, the complexity of the *Bankruptcy Abuse Prevention and Consumer Protection Act*, and the technical difficulties inherent in merging two intake areas have all hindered the merger. Nonetheless, both courts have experienced some of the benefits, and soon the public will too.

SOME HIGHLIGHTS IN THE FORTHCOMING CM/ECF VERSION 3.1

Scheduled for release by the bankruptcy courts on October 17, 2006, CM/ECF version 3.1 is the next, mandatory phase of the *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005* (BAPCPA). While the initial phase of BAPCPA, CM/ECF version 2.7 released on October 17, 2005, dealt primarily with new filing requirements, 3.1 is about the monthly collection of data. This data includes total assets and liabilities in a case, debts discharged, the number of reaffirmation agreements filed, the number of chapter 13's dismissed and why, the number of cases with creditors fined for misconduct, and the number of cases containing sanctions.

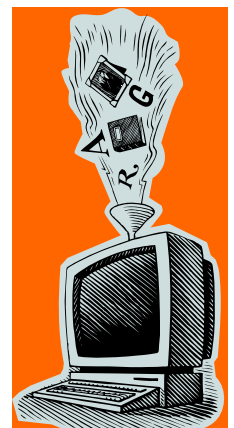
The information will be automatically collected from 3.1 via events used and transmitted to the Statistics Division (SD) of the Administrative Office. To our e-filing community this means that now, more than ever, it is **imperative** that the correct event is used when filing your document! Using the incorrect event will result in the exclusion of vital statistics from transmission to the SD. Following are some new and modified events to capture the required information:

- New: *Auditor's Report;*
- New: *Election to Appeal;*
- New: *Motion for Damages for Creditor Misconduct;*
- New: *Motion to Dismiss Case for Abuse. This motion must be used verses "Motion to Dismiss Case" if abuse is involved;*
- New: *Nondischargeable Debt;*
- New: *Objection to Professional Fees;*

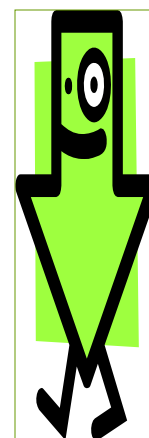
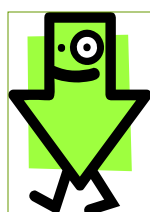
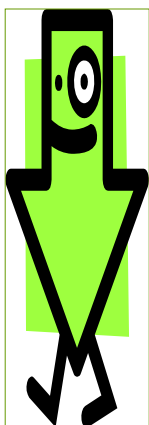
Modified: *The Schedules A-J event now includes a required, fillable Summary of Schedules page;*

Modified: *The Amended Schedules event also includes the required, fillable Summary of Schedules page. **NOTE:** the amended amounts entered **MUST BE THE ORIGINALLY SCHEDULED AMOUNT PLUS THE AMENDED AMOUNT;***

For additional information see the "**CM/ECF Version 3.1 Attorney Training**" pdf on the CM/ECF page of our website at www.dcb.uscourts.gov



*Filings are down across the country in 2006.
A snapshot of filings from 2002 to 2006.*



The downward trend
began some years
ago for some courts...

Filings in DC:

2002.....2,499
2003.....2,296
2004.....1,916
2005.....2,425
2006*.....218
2006+.....436

***Through June 30.**
+End of year projection.

And though other
courts experienced
an increase in filings
over the years...

Filings in WY:

2002.....2,264
2003.....2,460
2004.....2,482
2005.....3,267
2006*.....325
2006+.....650

***Through June 30.**
+End of year projection.

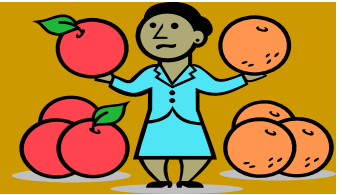
...2005's BAPCPA
caused reduced case
filings nationwide in
2006.

Filings in ME:

2002.....4,422
2003.....4,660
2004.....4,508
2005.....6,614
2006*.....551
2006+....1,102

***Through June 30.**
+End of year projection.

What's the Difference Between...?



The following three events in CM/ECF cause confusion among e-filers as to their proper usage: *Notice of Appearance (Add Party to Matrix)*; *Notice of Appearance (Attorney)*; and *Notice of Appearance and Request for Notice*. Though remarkably similar, there are significant differences in the functionality and purpose behind these events.

- *Notice of Appearance (Add Party to Matrix)* - This event can be used by **any party** that wishes to be placed on the mailing matrix so they can receive, for example, first meeting of creditors, discovery of assets, and discharge notices in a case. Several screens into the event, the e-filer is reminded via a red display message that they must enter the party to receive notices into the creditor matrix after docketing/filing the *Notice*...;
- *Notice of Appearance (Attorney)* - This event **must** be used by attorneys entering their appearance in a case on behalf of their client. Once the event is completed, the attorney/client relationship will be permanently reflected in the attorney/party pick lists in the case. This event will NOT place either party on the mailing matrix. However, the parties will receive general notices, and if the *Notice* was filed electronically, the attorney filer will receive all Notices of Electronic

Filings in MD:

2002.....35,573
2003.....34,231
2004.....29,467
2005.....35,345
2006*.....4,395
2006+.....8,790

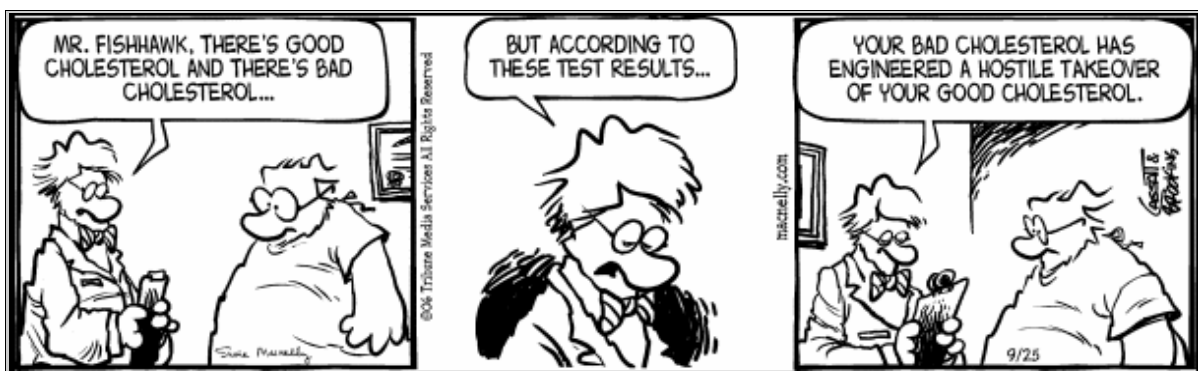
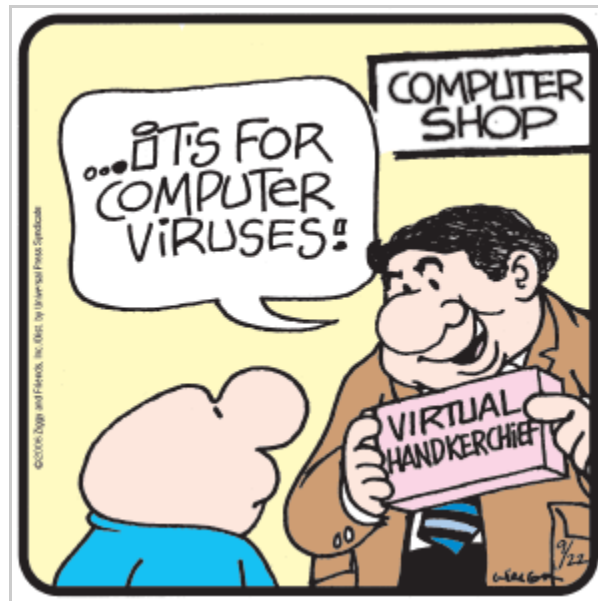
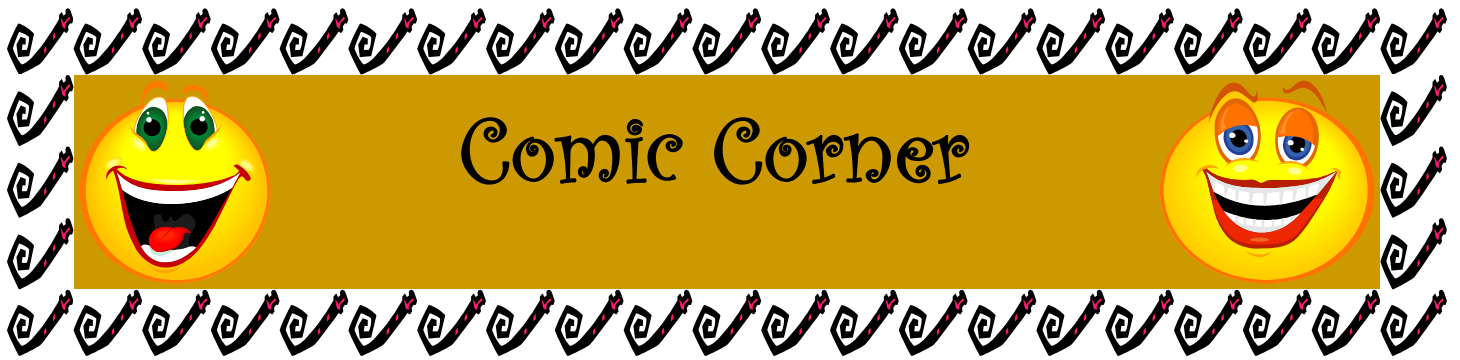
*Through June 30.
+End of year projection.

- Filings (NEFs) in the case;
- *Notice of Appearance and Request for Notice* - This event should be used by attorneys, and is a **combination** of both the *Notice of Appearance (Add Party to Matrix)*, and the *Notice of Appearance (Attorney)* events (i.e. an attorney can enter his/her appearance and place an entry on the mailing matrix. The matrix entry can be the client, or the client c/o the attorney.

Filings in NJ:

2002.....40,999
2003.....42,377
2004.....41,280
2005.....49,597
2006*.....6,422
2006+....12,844

*Through June 30.
+End of year projection.



Comic strips copied from Yahoo.com comics page

Do You Know About the National Creditor Registration Service (NCRS)?

The following was taken from www.ncrsuscourts.com/index.adp



What is the NCRS?

The National Creditor Registration Service (NCRS) is a free service provided by the U.S. Bankruptcy Courts to give creditors options to specify a preferred U.S. mail, e-mail address, or fax number to which bankruptcy notices should be sent.

The Preferred Address service supports the amendment to title 11 U.S.C. § 342(f) of the bankruptcy act of 2005, along with the pending amendment to Bankruptcy Rule 2002(g)(4), both of which permit a creditor to specify a preferred mailing address to be used by all the bankruptcy courts or by particular bankruptcy courts for providing notices.

The Electronic Bankruptcy Noticing (EBN) program supports Federal Rule of Bankruptcy Procedure 9036 which allows court notices to be transmitted electronically to notice recipients, delivering them faster and more conveniently than mailed paper notices.

If you are interested in participating in the NCRS, you might consider the benefits that EBN can offer your organization over mailed paper notices.

What is the Preferred Address service?

The Preferred Address service is a free service provided by the U.S. Bankruptcy Courts to support the bankruptcy act of 2005, amendment to title 11 U.S.C. § 342(f), along with the pending change to Federal Rule of Bankruptcy Procedure 2002(g), both of which per-

mit a creditor to specify a preferred mailing address to be used by all the bankruptcy courts or by particular bankruptcy courts for providing notices.

Entities that register for the NCRS will have notices sent from all bankruptcy courts, or by the individual bankruptcy courts specified, redirected to a preferred mailing address for cases filed under all chapters of the Bankruptcy Code, effective within 30 days upon receipt.

When you fill in the preferred address registration agreements you must list the name(s) and address(s) and name synonyms (spelling variations of the name) commonly used in debtor filings where you are identified as a creditor. Software will attempt to match the names and addresses provided by you to the name and address included in the mailing list. In most cases, the addresses in the courts mailing list are provided by the debtor. If a match is made, the notice will be redirected to the preferred name and address specified by you. If the recipient name and address in the court's mailing list do not match any combination of names and addresses you provided, the BNC will mail the notice to the address provided in the mailing list.

What is EBN?

The Electronic Bankruptcy Noticing (EBN) program allows court notices to be transmitted electronically to notice recipients, delivering them faster and more conveniently than mailed paper notices. In deciding which service is best for your office, you may want to consider the significant advantages of using the EBN service.

While the Preferred Address service allows you to specify a single specific

USPS mailing address to which all bankruptcy notices should be mailed, EBN allows you to eliminate paper notices completely by redirecting the transmission of notices to a single electronic address.

EBN allows you to choose to receive bankruptcy notice data in one of three ways:

Internet E-Mail - For recipients who want the speed and convenience of receiving bankruptcy notices on-line.

Electronic Data Interchange (EDI) - For high-volume notice recipients who want to automatically process bankruptcy notice data using computer database to computer database transfers.

For recipients who don't want to set up an Internet E-Mail account, but want to eliminate mail pieces, there is also a fax notice service available.

When you sign up for EBN, you must list your name(s) and address(s) and name synonyms (spelling variations of your name) commonly used in debtor filings where you are identified as a creditor. Software will attempt to match the names and addresses provided by you to the name and address included in the mailing list. In most cases, the addresses in the court's mailing list are provided by the debtor. If a match is made, the notice will be transmitted to your electronic address. If the recipient name and address in the courts mailing list do not match any combination of names and addresses provided by you, the BNC will mail the notice to the address provided in the mailing list.

Please see website for more information and registration

What Happened to Those Greater Southeast Proofs of Claim?!!



As most of us know, the number of Proofs of Claim received for the Greater Southeast Community Hospital, Case Number 02-2250, was absolutely humongous.

Consequently, as most of you probably do not know, the handling of these claims has been outsourced to a company called BMC Group. The claims register is available for viewing only through CM/ECF. In order to obtain a copy of a particular claim, it must be requested directly from BMC Group either by telephone at (888) 909-0100

or e-mail through the following link: <http://www.bmccorp.net/master.asp?InfoType=7&ClientID=33>.

Please remember to call the BK Clerk's Office's *CM/ECF Help Desk* at (202) 565-2506 for answers to all your CM/ECF questions.

As always, we thank you for your patience during this time of transition.

The next issue of *The Spayd* will be published during the last quarter of 2006.

A Suggestion:

The Bankruptcy Clerk's Office strongly suggests that when logging out of CM/ECF use the "Logout" button on the menu bar and NOT the "x". Technically, clicking on the "x" does not constitute logging out of CM/ECF, and can lead to difficulty logging in at your next session.

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Sources: *Joint Proposal for Consolidation (4/4/06); NCRS website (www.ncrsuscourts.com/index.adp); Yahoo.com (http://news.yahoo.com/comics)*

Special Thanks to: Therese Diachok and Greg Hughes